CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

OIL CONSERVATION DIVISION DISTRICT I WELL API NO. P.O. Box 1980, Hobbs, NM 88240 2040 Pacheco St. 30-015-27351 Santa Fe, NM 87505 DISTRICT II 10112131415167 sIndicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 STATE FEE State Oil & Gas Lease No 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS ON WELDS 2003 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEFERENT RESERVOIR. USE "APPLICATION FOR PERMIT!" (FORM C-101) FOR SUCH PROPOSALS.) Lease Name or Unit Agreement Name East Millman Unit Type of Well: WELL X OTHER «Well No 2Name of Operator SDX Resources, Inc. 206 3Address of Operator Pool name or Wildcat PO Box 5061, Midland, TX 79704 Millman, QN-GB-SA, East 4Well Location 2630 North 1310 East Unit Letter Feet From The Line and Feet From The Line 28E Section 14 198 NMPM Eddy County Township Range 10Elevation (Show whether DF, RKB, RT, GR, etc.) Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON PERFORM REMEDIAL WORK REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: Re-complete OTHER: 1/Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. **EXISTING:** 8-5/8" 24# J-55 csg @389'. Cmtd w/350 sx 5-1/2" 15.5# J-55 csg @ 2645'. Cmtd w/350 sx Cl C & 650 sx Lite Perfs: 1890-2266 PROPOSE: Set RBP @ 1820'. Perf 1 spf spiraled: 1732-48 (60 holes OH log depths) Acidize w/2500 gal 15% NEFE. Flow back acid & swab test zone. Frac w/30000 gal Spectra w/45,000# 16/30 & 25,000# 12/20 Brady sd. SION. Flow back frac, circ clean to RBP w/2% KCL, Pull RBP. Pump back load. I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Regulatory Tech SIGNATURE DATE 09-12-03 TYPE OR PRINT NAME BOTINIE Atwater TELEPHONE NO. 432/685-1761 (This space for State District Supervisor Sim W. Bum APPROVED BY